DAE Pumps

DESIGNED AND ENGINEERED PUMPING SOLUTIONS

EQUIPMENT PURCHASE AGREEMENT

PURCHASE EQUIPMENT SUBJECT TO THIS CONTRACT. All purchases of equipment from DAE Pumps (the "Company") require the Customer to thoroughly read and agree to the following terms. These terms and conditions, and the Quote to which they are attached, form the entire agreement (the "Agreement") between the Company and the customer identified in such Purchase Order or Quote (the "Customer"). The Customer's agreement to the terms is deemed provided once Customer submits a Purchase Order or submits a signed Quote. Acceptance of any portion of the Services, providing payment in whole or in part, taking possession of any Equipment, or acceptance of the Agreement in any form (whichever occurs first) shall constitute acceptance of these Agreement Terms and Conditions and any terms set forth in the document(s) issued by the Company. Should the terms of any proposal, purchase order or statement of work issued by Customer or a third party conflict with the terms and conditions of this Agreement, the terms of this Agreement shall control.

PAYMENT RATE. Payments shall be due whether or not the Customer has received notice of a payment. Customer may pay via check or wire. All credit card charges will be subject to an additional four percent (4%) charge.

SERVICE CHARGE. If any installment is not paid within two (2) days after the due date, the Customer shall pay to the Company a surcharge charge of 1% of monies overdue per day.

NON-SUFFICIENT FUNDS. The Customer shall be charged $250.00 for each check that is returned to the Company for lack of sufficient funds.

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RISK OF LOSS OR DAMAGE. From the point the equipment leaves Company's office in El Cajon, CA or Houston, TX the Customer assumes all risks of loss or damage to the equipment from any cause.

DELIVERY TERMS. All products sent to Customer shall be sent EX Works (EXW) or FCA the Company's facility in El Cajon, CA, and in domestic packing. Customer will bear and pay for all taxes of any nature imposed prior to, at the time of, or after delivery to, the carrier at the EXW or FCA point. Customer shall also bear and pay for all charges for freight, shipping, consular fees, customs duties, and all costs and charges.

Company will hold completed Equipment for a maximum of two weeks before a storage fee of $200 per day will be charged.

TIMING. Company shall use reasonable efforts to meet any performance dates specified in the Agreement.

Customer agrees that any such dates shall be estimates only.

CHANGE IN SERVICES. If Customer wishes to change the scope of the Services, it shall submit details of the requested change to Company in writing. Changes may incur additional fees included, but not limited to, engineering time fees, change of equipment fees, and administrative fees.

CANCELLATION POLICY. All paid fees are non-refundable and all orders are non-cancelable.

USED GOODS. Should the Agreement include the purchase of used machinery, parts or other equipment, said used equipment are sold "AS IS" and "with all

faults". Company makes no warranty related to the title of these goods.

ACCEPTANCE OF EQUIPMENT. The Customer shall inspect each item of equipment delivered pursuant to this purchase. The Customer shall immediately notify the Company of any discrepancies between such item of equipment and the description of the equipment in the Quote. If the Customer fails to provide such notice in writing within 2 day(s) after the delivery of the equipment, the Customer will be conclusively presumed to have accepted the equipment as specified. Any subsequent claim that the equipment was not provided in fully functional order will not be considered.

CARE AND OPERATION OF EQUIPMENT. The equipment may only be used and operated in a careful and proper manner. Its use must comply with the manual in addition to all laws, ordinances, and regulations relating to the possession, use, or maintenance of the equipment, including registration and/or licensing requirements, if any.

Customer must provide all wearable supplies that include, but not limited to, fuel, oil, filters, and grease.

FAILURE TO PERFORM AND IDLE EQUIPMENT The Company will not be held responsible for any failure of equipment for any reason. The Company will not be held liable for any costs associated with equipment downtime for any reason.

The Company will not be held responsible for any errors or omissions due to the Customer's lack of operational or technical capability.

LIMITED WARRANTY. The Company warrants for one year from the date of shipment Company's manufactured products to the extent that Company will replace those having defects in materials or workmanship when used for the purpose and in the manner which Company recommends. If Company's

examination at Company headquarters shall disclose to its satisfaction that the products are defective, and an adjustment is required, the amount of such adjustment shall not exceed the net sales price of the defective products and no allowance will be made for labor or expense of repairing or replacing defective products or workmanship or damage resulting from the same. If Company examination shall disclose that Customer is responsible for the damage, Customer shall be responsible for all freight and repair or replacement costs. Company warrants the products which it sells of other manufacturers to the extent of the warranties of their respective makers only. Where engineering design or fabrication work is supplied, Customer's acceptance of Company's design or of delivery of work shall relieve Company of all further obligation, other than as expressed in Company's product warranty.

THIS IS DAE'S SOLE WARRANTY. No other warranties, written or oral, express or implied, including the warranties of fitness for a purpose and merchantability, are made or authorized. No affirmation of fact, promise, and description of product of use or sample or model shall create any warranty from manufacturer, unless signed by the vice president of the manufacturer. Company neither assumes, nor authorizes any person to assume for it, any other obligation about the sale of its engineering designs or products. This warranty shall not apply to any products or parts of products which(a) have been repaired or altered outside of Company's factory, in any manner; or (b) have been subjected to misuse, negligence or accidents; or (c) have been used in a manner contrary to Company's instruction or recommendations. Company shall not be responsible for design errors due to inaccurate or incomplete information supplied by Customer or its representative.

INDEMNITY OF COMPANY FOR LOSS OR DAMAGES. If the equipment is damaged the Customer has the option to return equipment to Company and pay for Company to repair the equipment to a state of good working order or pay for Company employees to repair equipment on Customers job site.

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LIABILITY AND INDEMNITY. Customer assumes all risk and liability for the loss of, damage to, death of or injury to any person or property caused by the use, condition, possession or storage of property purchased or rented from Company or from a third party through Company as well as all other risks and liabilities arising from the same. In no event shall DAE Pumps be liable to Customer or any third party for any loss of use, revenue or profit or loss of data or diminution in value or for punitive damages (including attorney's fees and costs and expert witness fees and costs) of any nature whatsoever. Liability for injury, disability, and death of workers and other persons caused by operating, handling, or transporting the equipment is the obligation of the Customer, and the Customer shall indemnify and hold the Company harmless from and against all such liability. Customer shall indemnify and hold the Company harmless from and against all liabilities associated with injuries, disability, death, or damages caused by or to equipment rented or purchased from a third party, including judgments, costs and reasonable counsel fees. Customer shall maintain liability insurance of at least $1,000,000.00 unless waived in writing by the Company.

REVERSE ENGINEERING. Customer agrees not to disassemble, decompile or otherwise reverse engineer any equipment or materials provided.

CONFIDENTIALITY. From time to during the term of the Agreement, either Party may disclose or make available non-public proprietary and confidential information to the other party. The receiving party shall protect and safeguard the confidentiality of the disclosing party's confidential information.

TAXES AND FEES. Rates do not include any sales, use or property taxes. Customer shall pay all taxes, assessments, and license and registration fees on the equipment.

NOTICE. All notices required or permitted shall be deemed delivered when delivered in person or by mail, addressed to the appropriate party at the address

shown for that party at the beginning of this agreement or on the Quote.

ENTIRE AGREEMENT AND MODIFICATION. This contract constitutes the entire agreement between the parties. No modification or amendment of this contract shall be effective unless in writing and signed by both parties. This contract replaces any and all prior agreements between the parties.

GOVERNING LAW. This contract shall be construed in accordance with the laws of the State of California and any legal action shall be brought in the courts located in San Diego County. In the event of any legal action, arbitration, or other proceeding arising out of or relating to this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs incurred in connection with such action, including any appeal, in addition to any other relief to which that party may be entitled.

SEVERABILITY. If any portion of this contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this contract is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

WAIVER. The failure of either party to enforce any provision of this contract shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this contract.

CERTIFICATION. Customer certifies that the application, statements, references, and reports submitted to Company are true and correct and any material misrepresentation will constitute default under this contract.

(Optional)

TRAINING AND STARTUP.

International

- Technician
    - Weekdays: The first two days of startup and training are billed to the customer at a rate of $9,746.10. Any additional consecutive days are billed at $4,013.10 per day. A day is measured by an eight (8) hour period with two (2) required 15-minute breaks and one (1) required 30-minute lunch break. Any additional hours up to 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $250 per hour. An additional 30-minute break must be provided. Any additional hours over 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $350 per hour. An additional 30-minute break must be provided.
- Engineer
    - Weekdays: The first two days of startup and training are billed to the customer at a rate of $12,612.60. Any additional consecutive days are billed at $5,733.00 per day. A day is measured by an eight (8) hour period with two (2) required 15-minute breaks and one (1) required 30-minute lunch break. Any additional hours up to 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $250 per hour. An additional 30-minute break must be provided. Any additional hours over 12 hours will be approved at

the discretion of the DAE Pumps technician and will be billed at $350 per hour. An additional 30-minute break must be provided. Weekends: Weekends will require an additional charge of $600.00 per day. A day is measured by an eight (8) hour period with two (2) required 15-minute breaks and one (1) required 30-minute lunch break. Any additional hours up to 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $250 per hour. An additional 30-minute break must be provided. Any additional hours over 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $350 per hour. An additional 30-minute break must be
provided.

Holidays: Holidays will require an additional charge of $1,000.00 per day. A day is measured by an eight (8) hour period with two (2) required 15-minute breaks and one (1) required 30-minute lunch break. Any additional hours up to 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $250 per hour. An additional 30-minute break must be provided. Any additional hours over 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $350 per hour. An additional 30-minute break must be
provided.

- Customer will not be responsible for airfare or travel time. If the customer changes the visit after flights are booked, airline change fees will apply.
- Three (3) weeks' notice is required for scheduling a technician and is subject to availability. We will try to accommodate all expedite requests, however an expedite fee will be incurred for all requests made within the three (3) week

period. The fee equals 5% of the total startup cost which is determined at the conclusion of the technician visit.

- Cancellation Policy: Customer will be billed for all cancellation and rescheduling fees/charges plus a $300 administration fee.

Domestic

- Technician

    - Weekdays: The first two days of startup and training are billed to the customer at a rate of $7,452.90. Any additional consecutive days are billed at $3,439.80 per day. A day is measured by an eight (8) hour period with two (2) required 15-minute breaks and one (1) required 30-minute lunch break. Any additional hours up to 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $250 per hour. An additional 30-minute break must be provided. Any additional hours over 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $350 per hour. An additional 30-minute break must be provided.

    Engineer

    - Weekdays: The first two days of startup and training are billed to the customer at a rate of $10,319.40. Any additional consecutive days are billed at $4,586.40 per day. A day is measured by an eight (8) hour period with two (2) required 15-minute breaks and one (1) required 30-minute lunch break. Any additional hours up to 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $250 per hour. An additional 30-minute break must

be provided. Any additional hours over 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $350 per hour. An additional 30-minute break must be provided.

Weekends: Weekends will require an additional charge of $500.00 per day. A day is measured by an eight (8) hour period with two (2) required 15-minute breaks and one (1) required 30-minute lunch break. Any additional hours up to 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $250 per hour. An additional 30-minute break must be provided. Any additional hours over 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $350 per hour. An additional 30-minute break must be provided.

Holidays: Holidays will require an additional charge of $1,000.00 per day. A day is measured by an eight (8) hour period with two (2) required 15-minute breaks and one (1) required 30-minute lunch break Any additional hours up to 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $250 per hour. An additional 30-minute break must be provided. Any additional hours over 12 hours will be approved at the discretion of the DAE Pumps technician and will be billed at $350 per hour. An additional 30-minute break must be provided.

- Customer will not be responsible for airfare or travel time. If customer changes the visit after the flight is booked, airline change fees will apply.
    - Two (2) weeks' notice is required for scheduling a technician and is subject to availability. We will try to accommodate all expedite

requests, however an expedite fee will be incurred for all requests made within the two (2) week period. The fee equals 5% of the total startup cost which is determined at the conclusion of the technician visit.

- Cancellation Policy: Customer will be billed for all cancellation and rescheduling fees/charges plus a $300 administration fee.